

VZCZCXRO3923  
PP RUEHMA RUEHPA  
DE RUEHOS #0099 0731332

ZNR UUUUU ZZH  
P 131332Z MAR 08  
FM AMCONSUL LAGOS  
TO RUEHC/SECSTATE WASHDC PRIORITY 9808  
INFO RUEHZK/ECOWAS COLLECTIVE PRIORITY  
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS LAGOS 000099

SIPDIS

SIPDIS

STATE PASS OPIC BILL PEARCE

E.O. 12958: N/A

TAGS: [EINV](#) [ECON](#) [NI](#)

SUBJECT: OPIC-SUPPORTED INVESTMENT FUNDS IN THE REGION:  
CAPIC

REF: A. STATE 16442

1B. LAGOS 76

11. In response to reftel A, financial capital is needed to meet Nigeria's growing demand for middle income housing. Although Nigeria's middle-class is relatively small, affordable housing is in short supply across the country. Nigerian banks are well capitalized, but housing competes for funds with a myriad of other infrastructure needs. Consequently, outside financing will be necessary. Nigeria is targeting a GDP growth rate of 10 percent per year with the goal of becoming one of the world's top twenty economies by 2020. While those are admittedly ambitious goals, the Government of Nigeria understands the need for private sector funding to develop its currently inadequate infrastructure. Nigeria has not yet passed legislation on land reform, non-judicial foreclosure, or securitization that would support mortgage development (reftel B). The objectives of this fund are compatible with the government's desire for more private sector involvement in funding its development.

12. African Capital Alliance is a well-known Nigerian private equity fund with an American citizen director who has extensive experience in Nigeria.

13. Mission Nigeria encourages OPIC to support CAPIC Fund.

14. This cable was cleared with Embassy Abuja  
BLAIR